

STATEMENT OF HON. STEVE LATOURETTE  
RAILROAD SUBCOMMITTEE HEARING ON IMPLEMENTATION OF  
EXPANDED RAIL INFRASTRUCTURE LOAN PROGRAM

March 15, 2006

This afternoon we are doing a check-up on the Railroad Rehabilitation and Improvement Finance program, usually known more succinctly as RRIF. This program has had an unnecessarily checkered history since it was created in the 1998 TEA 21 legislation, mostly due to administrative obstruction. When the expanded \$35 billion version of RRIF was enacted last summer as part of the SAFETEA LU bill, the Congress legislatively overruled, point by point, each of the four handicaps that had been imposed on the program by the Department of Transportation and the Office of Management and Budget.

The foregone opportunities to improve our rail transport network in eight years of a stifled RRIF program are huge. From 1998 through 2005, only a tiny fraction of the \$3.5 billion revolving authorization for rail and rail-intermodal infrastructure loans was tapped. Last year's legislation expanded the authorization tenfold to \$35 billion. These loans have no budgetary score associated with them, unless and until the security deposit is (optionally) provided by federal appropriation. Even then, only the deposit is scored, not the loan amount itself. Think of what \$3.5 billion in off-budget funds could have done since 1998 to address some of the choke points in our rail network, and to upgrade the marginal track network of the nation's shortline railroads.

Today's hearing should help the Subcommittee ascertain whether DOT has in fact complied with SAFETEA LU and removed the impediments DOT had placed in the way of normal processing of RRIF applications for direct and guaranteed loans for rail infrastructure. The hearing should also tell us whether DOT has in fact complied with other affirmative duties and obligations imposed on DOT regarding the RRIF program in the SAFETEA LU bill.

Today's hearing is the third held by an arm of the Transportation and Infrastructure Committee on RRIF since the creation of the program. In 1999, 2000, and 2001, Members of this Committee—on a thoroughly bipartisan basis—made clear to both the present and the previous Administrations their frustration with the way this program was being hobbled. Let's hope today's hearing is different.

Because this is a hearing to determine DOT's compliance with the law, we will be hearing testimony only from the Department itself. However, as is our standard practice, the Subcommittee will accept written submissions from other interested parties about the functioning of the RRIF program for inclusion in the written record of the hearing.